

Chairman Lowell Johnson called the regularly scheduled meeting to order at 10:00 a.m. with Commissioners Boyle, Lowell Johnson, Landis and Vap present and Commissioner Rod Johnson excused. Chairman Johnson also invited the public to address the Commission at any point during the meeting. He also announced that a copy of the Nebraska Open Meetings Act was available in the meeting room.

#### GENERAL ADMINISTRATION

Notice was duly published October 31, 2006 on Page 8 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held November 8, 2006 at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

#### Wednesday, November 8, 2006:

- 11:00 Commission Hearing Room, Lincoln. Commissioner Landis presiding as Hearing Officer.
- NUSF-4 In the Matter of the Commission, on its own motion, seeking to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act to be effective for the fiscal year beginning July 1, 2006.
- NUSF-50 In the Matter of the Commission, on its own motion, seeking to make adjustments to the universal service fund mechanism established in NUSF-26.
- NOTE: If needed, hearing will continue to Thursday, November 9, 2006 at 10:00 a.m. in the Commission Hearing Room, Lincoln.

#### Monday, November 20, 2006:

- NUSF-60/ Commission Library, Lincoln. Pre-Hearing Conference.  
C-3702/ In the Matter of the Commission, on its own motion, seeking  
PI-123 to investigate Clarks Telecommunications Company's Access  
1:30 Rates. Commissioner Rod Johnson presiding as Hearing  
Officer.

#### COMMUNICATIONS DEPARTMENT

Cheryl Elton informed the Commission of the complaints received in the preceding month. She reported that there were a total of 63 complaints taken in the month of October 2006: 46 - wireline and 17 - wireless. The complaints were categorized as follows: 33 billing, 22 service and 8 miscellaneous issues.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3576        In the Matter of Acceris Communications Corp., San Diego, California, seeking to withdraw their authority to operate as a resale common carrier of telecommunications services in the state of Nebraska previously approved in C-3224: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to enter an order dismissing the withdrawal application based on the fact their authority was previously revoked via a show cause proceeding in Docket NUSF-54. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

C-3684        In the Matter of the Petition of Qwest Corporation, Denver, Colorado, seeking a Declaratory Order regarding applicability of certain accounting requirements, or in the alternative, Application for Waiver of certain accounting requirements: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order granting the petition application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

C-3702/       In the Matter of the Commission, on its own motion, seeking  
NUSF-60/       to investigate Clarks Telecommunications Company's Access  
PI-123       Rates. Commissioner Rod Johnson presiding as Hearing  
              Officer: Motion made by Commissioner Jerry Vap, seconded  
by Commissioner Frank Landis, to enter a protective order. Motion  
passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and  
Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

C-3716/       In the Matter of the Commission, on its own motion, seeking  
NUSF-       to investigate Qwest Corporation's Access Rates: Motion  
60.01/       made by Commissioner Anne Boyle, seconded by Commissioner  
PI-124       Jerry Vap, to enter an order opening the docket and sus-  
              pending the tariff. Motion passed with Commissioners Anne  
Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and  
Commissioner Rod Johnson excused not voting. Commissioner Anne Boyle  
was appointed Hearing Officer.

C-3696        In the Matter of Qwest Corporation, Denver, Colorado, seek-  
              ing a Collocation Decommission Amendment to an intercon-  
nection agreement with SBC Long Distance, Inc., d/b/a AT&T Long  
Distance, in Docket C-3284: Motion made by Commissioner Jerry Vap,  
seconded by Commissioner Frank Landis, to enter an order approving the  
application. Motion passed with Commissioners Anne Boyle, Lowell  
Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod  
Johnson excused not voting.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT

911-002/ In the Matter of the Commission, on its own motion, seeking  
911-027 to determine the surcharge for the Enhanced Wireless 911  
Fund; and In the Matter of the Commission, on its own  
motion, seeking to establish a funding mechanism for general costs  
associated with the provision of enhanced wireless 911: Motion made  
by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to  
enter an order opening the docket and seeking comments due on or  
before December 15, 2006. Motion passed with Commissioners Anne  
Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and  
Commissioner Rod Johnson excused not voting. Commissioner Rod Johnson  
was appointed Hearing Officer.

Jeff Pursley informed the Commission that the next Wireless  
E911 Advisory Board Meeting was scheduled for December 11, 2006 at  
10:00 a.m. in the Commission Library, Lincoln.

NUSF-34.12 In the Matter of the Commission, on its own motion, seeking  
to investigate the Remittance Audit filed by USCOC of  
Greater Iowa, Inc., Chicago, Illinois, for the 2004 calendar year:  
Motion made by Commissioner Frank Landis, seconded by Commissioner  
Jerry Vap, to enter a show cause order. Motion passed with Commis-  
sioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting  
AYE, and Commissioner Rod Johnson excused not voting.

NUSF- In the Matter of Jeffrey L. Pursley, Director, Nebraska  
37.102 Telecommunications Infrastructure and Public Safety Depart-  
ment, Complainant v. BullsEye Telecom, Inc., Oak Park,  
Michigan, Respondent: Motion made by Commissioner Jerry Vap, seconded  
by Commissioner Anne Boyle, to enter an order dismissing the com-  
plaint. Motion passed with Commissioners Anne Boyle, Lowell Johnson,  
Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson  
excused not voting.

NUSF-60/ In the Matter of the Commission, on its own motion, seeking  
C-3702/ to investigate Clarks Telecommunications Company's Access  
PI-123 Rates. Commissioner Rod Johnson presiding as Hearing Offi-  
cer: A protective order was entered under the Communica-  
tion Department's agenda.

NUSF- In the Matter of the Commission, on its own motion, seeking  
60.01/ to investigate Qwest Corporation's Access Rates: An order  
C-3716/ opening the docket and suspending the tariff was entered on  
PI-124 the Communication Department's agenda.

NUSF-4/ In the Matter of the Commission, on its own motion, seeking  
NUSF-50 to determine the level of the fund necessary to carry out  
the Nebraska Telecommunications Universal Service Fund Act;  
and, In the Matter of the Commission, on its own motion, seeking to  
make adjustments to the universal service fund mechanism established

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

in NUSF-26. Commissioner Landis presiding as Hearing Officer: Jeff Pursley discussed the Hearing Officer's Orders issued October 31, 2006 granting the motion to allow William E. Hendricks, a nonresident attorney, to practice in Nebraska on behalf of United Telecommunications Company of the West, d/b/a Embarq, and November 3, 2006 adopting the procedural schedule set forth at the pre-hearing conference held on October 31, 2006.

Jeff Pursley reported on the Late-Filed Carrier Remittances: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to grant the request from Onvoy, Inc., Minneapolis, Minnesota for a one-time waiver for the late-filed 1st Quarter 2004 through 3rd Quarter 2006 worksheets and that a complaint be filed against Telrite Corporation and late-fees be levied against Three River Communications, LLC and Three River Telco, Lynch, for the late-filed September 2006 worksheets. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

NATURAL GAS DEPARTMENT

NG-0036 In the Matter of Kinder Morgan, Inc., Lakewood, Colorado, seeking approval of a general rate increase. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter assessment orders GDS-003 and HSD-005. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

NG-0037 In the Matter of NorthWestern Corporation, d/b/a NorthWestern Energy, Sioux Falls, South Dakota; Babcock & Brown Infrastructure Limited, BBI US Holdings Pty Ltd., Sydney NSW 2000, Australia; BBI US Holdings II Corp. and BBI Glacier Corp., San Francisco, California, seeking approval of the proposed change in control of NorthWestern Corporation. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter assessment orders HSD-005 and HSD-006. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

NG-0039 In the Matter of Kinder Morgan, Inc., Houston, Texas; KM Retail Utilities Holdco, LLC, Houston, Texas; Source Gas Distribution LLC, Lakewood, Colorado, Source Gas Holdings LLC, Stamford, Connecticut and Source Gas LLC, Stamford, Connecticut; seeking approval of (1) the proposed transfer of Kinder Morgan, Inc.'s Nebraska Certificate of Convenience and utility assets to Source Gas Distribution LLC; and (2) the proposed change of control of Source Gas Distribution LLC from Kinder Morgan, Inc. to Source Gas LLC. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner

NATURAL GAS DEPARTMENT (Cont.)

Jerry Vap, seconded by Commissioner Frank Landis to enter a protective order and an assessment order HSD-001. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

P-0013.3 In the Matter of Metropolitan Utilities District of Omaha, Omaha, providing notice required by *Neb. Rev. Stat. Section 66-1863*, that it intends to extend or enlarge its service area or extend a gas main: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order closing the docket. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

Laura Demman reported on the article in American Gas Magazine, "Nontraditional Investing in Utilities Gets a Watchful Eye," November 2006 issue, pages 13-16 and provided a copy to the Commissioners.

Laura Demman reported that there were a total of 1,178 consumer complaints and inquiries received during the month of October, 1006. The totals for each company include: Aquila - 28; Kinder Morgan - 1,142; NorthWestern - 1; and other entities - 7.

TRANSPORTATION DEPARTMENT

B-1682 In the Matter of Standfast Medical Transportation, Omaha, seeking authority as a common carrier in Nebraska intra-state commerce in the transportation of passengers and their baggage between points in Douglas and Sarpy counties, and between Douglas and Sarpy counties, on the one hand, and, on the other hand, points in Nebraska over irregular routes: A video hearing was scheduled for January 10, 2007, at 9:30 a.m. in the Commission Library, Lincoln and the Nebraska State Office Building, Room 207, 1313 Farnam Street, Omaha. Commissioner Boyle was appointed Hearing Officer.

B-1683 In the Matter of CUSA ES, LLC, d/b/a Express Shuttle, Supp. 1 seeking authority as a contract carrier for the transportation of railroad train crews: Commissioner Landis was appointed Hearing Officer.

Mark Breiner reported on Legislative Resolution 325 that examines the legislative intent on the enactment of the Nebraska Public Transportation Act.

TRANSPORTATION DEPARTMENT (Cont.)

Rate Division

TR-153        In the Matter of Fairbury Taxi, LLC, Fairbury, seeking authority to adjust its rates and charges: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter an Order Nunc Pro Tunc. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

MR-930        In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was retained at 56 cents per mile.

NATURAL GAS DEPARTMENT

NG-0036       In the Matter of Kinder Morgan, Inc., Lakewood, Colorado, seeking approval of a general rate increase. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter Assessment Order No. HSD-006. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

GRAIN WAREHOUSE DEPARTMENT

GW-1790       In the Matter of John A. Fecht, Director, Warehouse Department vs. Garry's Farm Service, Inc., Bloomfield, Defendant: John Fecht discussed the shortage of corn. Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter a complaint, order to show cause and schedule a hearing for December 13, 2006 at 1:30 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting. Commissioner Vap was appointed Hearing Officer.

GW-1871       In the Matter of John A. Fecht, Director, Warehouse Department, v. Hergert Grain, Inc., Scottsbluff, Defendant: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to enter a complaint, order to show cause and schedule a hearing for December 13, 2006 at 1:30 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting. Commissioner Vap was appointed Hearing Officer.

GRAIN WAREHOUSE DEPARTMENT (Cont.)

Grain Dealer Division

GD-2066 In the Matter of Seven Valleys Grain Company, Callaway, seeking a Grain Dealer License, subject to the fulfillment of all statutory requirements, for the license period ending September 30, 2007: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to grant the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

GD-2826 In the Matter of Cooperative Marketing Alliance, Inc., Memphis, Tennessee seeking to cancel its Grain Dealer License: Upon agreement of all Commissioners the license was cancelled.

GENERAL ADMINISTRATION

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to approve the following Commission invoices. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

Robert Bowman	\$ 833.78
Fred Massing	861.41
Kent Pribyl	1,041.09
Anne Boyle	587.40
Lowell Johnson	188.72

NEBRASKA EQUIPMENT DISTRIBUTION PROGRAM

Alltel	574.98
Continental Cellular Co.	379.93
Alternative Hearing	910.00
Associated Hearing Health	1,101.50
B Hear Inc.	586.56
Beltone	2,239.70
Beltone	1,229.30
Harris Communications	189.99
Hearing Aid Specialists Inc.	666.85
Carl A. Johnson, Jr.	167.95
Johnson Hearing Aid Service	144.63
K-D Communications	8,533.65
McCook Pharmacy & Medical Supplies	931.75
Professional Hearing Aid Services	160.00
Sherard Hearing Aid Center	203.90
Teltex	291.15

GENERAL ADMINISTRATION (Cont.)

Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to approve Commission minutes for the month of October 2006. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to change the meeting time of the December 19, 2006 Commission meeting to 9:00 a.m. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis and Jerry Vap voting AYE, and Commissioner Rod Johnson excused not voting.

A Commission employee withdrew his request to provide technical consulting services on a contractual basis with Coleman Research Group to an investment company.

A Commission employee's request for administrative leave was not granted after no motion was made.

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The meeting adjourned at 10:57 a.m. with Commissioners Boyle, Lowell Johnson, Landis and Vap present and Commissioner Rod Johnson excused. The next regularly scheduled meeting will be held on November 21, 2006, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on November 20, 2006.

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Chairman

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Executive Director